



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 3, 1984

Mr. Neil Mortenson
General Manager
Western Clay Company
P. O Box 1067
Aurora, Utah 84620

Dear Mr. Mortenson:

RE: Reclamation Surety, Redmond Bentonite Pit, ACT/041/012,
Sevier County, Utah

Thank you for sending me the information on the sureties presently held by the Division of State Lands & Forestry (DSL&F) for the Redmond Bentonite Pit (ML 1937). These are:

1. Certificate of Deposit - Number [redacted] for \$5,000 from Zion's First National Bank
2. Time Deposit Accounting Number [redacted] for \$2,000 from First Security Bank

The reclamation surety, therefore, equals \$7,000 presently posted.

In November 1983, a revised reclamation estimate was calculated \$6,815 (1983 dollars). It was outlined to Mr. Tom Robison, then general manager, that this amount would have to be escalated annually.

It is now the policy of the Division that if escalation is revised annually, the following year dollars must be posted, i.e., Western Clay should now post in 1985 dollars.

The Division uses the Means Historical Cost Index for escalation. The inflation actor is figured as an average of the past three years. Therefore, the amount that needs to be posted by December 31, 1984 is \$7,356 (1985 dollars) or \$356 more than is now held by the DSL&F.

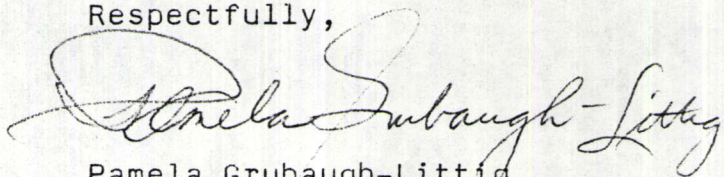
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The figures are:

1983 - \$6,815
1984 - \$6,889 (rate of 1.04%)
1985 - \$7,356 (rate of 6.78%)

Thank you for your cooperation. If you have any questions, please feel free to call me.

Respectfully,

A handwritten signature in cursive script, reading "Pamela Grubaugh-Littig". The signature is written in dark ink and is positioned above the printed name and title.

Pamela Grubaugh-Littig
Reclamation Engineer

btb
cc: Jerry Mansfield
Ron Daniels
Sue Linner
Tom Portle
8808R-31 & 32